Application No. 09/852,119
Notice of Appeal filed July 12, 2007
Appeal Brief filed July 16, 2007

PATENT
Attorney Docket No. 7198
Client Reference No. 066548-0133

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

In re Application of:

RONALD A. BRACO

Application No.: 09/852,119

Filed: May 9, 2001

For: Electronic Bill Presentment and Payment System

Art Unit: 3694

Examiner: OJO O. OYEBISI

APPELLANT'S REPLY BRIEF

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

Dear Sir:

In support of an appeal from the rejection dated April 18, 2007, the Notice of Appeal filed on July 12, 2007, the Appeal Brief filed on July 16, 2007, this is a Reply Brief in response to the Examiner's Answer mailed October 19, 2007.

CERTIFICATE OF TRANSMISSION UNDER 37 CFR 1.8			
I hereby certify that this Appellant's Reply Brief and all accompanying documents are, on the date indicated below, ☒ being transmitted to the United States Patent and Trademark Office via the Electronic Filing System.			
Name (Print/Type)	Patricia L. Volkert		
Signature	/Patricia L. Volkert/	*Date*	December 18, 2007

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Status of Claims

Claims 1-26 and 31-34 were rejected in the Office Action mailed on April 18, 2007 and are on appeal.

Grounds of Rejection to be Reviewed on Appeal

The grounds of rejection to be reviewed on appeal are whether there is error in the rejection of Claims 1-21, 24-26, 31-32 and 34 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent 5, 963,925 issued to Kolling et al. (Kolling) and whether there is error in the rejection of Claims 22, 23 and 33 as being unpatentable over Kolling in view of U.S. Patent 5,465,206 to Hilt et al (Hilt).

Argument

Section 102(b) (Claims 1-21, 24-26, 31-32 and 34)

Claims 1-21, 24-26, 31-32 and 34 are rejected as anticipated by U.S. Patent 5,963,925 issued to Kolling et al. (Kolling). The rejection states that Kolling discloses each of the limitations of Claims 1-21, 24-26, 31-32 and 34. Appellant appeals the rejection of the claims.

A claim is anticipated only if each and every limitation of the claim is found either expressly or inherently in a single prior art reference. Bristol-Myers Squibb Co. v. Ben Venue Labs., Inc., 246 F.3d 1368, 1374 (Fed. Cir. 2001) (affirming invalidity of claims because of anticipation).

a. Reliance on common sense to buttress a 35 U.S.C. 102 anticipation rejection is error

With respect to claims 1 and 25, the Examiner's Answer states that it is common sense to note that different financial institutions run different protocols on their networks, and since Kolling can transmit data to any number of statement generated workstations each located in a different consumer's financial institution (CFI), that in and of itself buttresses the point that Kolling is a multi-standard switch.

The express, implicit, and inherent disclosures of a prior art reference may be relied upon in the rejection of claims under 35 U.S.C. 102. Since Kolling does not explicitly or implicitly teach or suggest a multi-standard switch that facilitates electronic communication between a consumer service provider or a consumer terminal and a bill service provider and a biller terminal irrespective of which message standard protocol each uses, the Examiner's use of relying on common sense indicates the Examiner is now relying on inherency as there has

not been any official notice of anything by the Examiner. The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic. *In re Rijckaert*, 9 F.3d 1531, 1534, 28 USPQ2d 1955, 1957 (Fed. Cir. 1993). "To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.' "In *re Robertson*, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999). The examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art." Ex parte Levy, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990) (emphasis in original).

Kolling teaches that the consumer service provider (CSP) represents a consumer financial institution or any other consumer service provider (see Kolling at col. 24, lines 64-67). Kolling teaches that in the step of enrolling a consumer, the CSP in a specific embodiment forwards a consumer subscription request through the switch of Kolling (see col. 26, lines 48-50). Kolling further teaches that in an alternate embodiment, the CSP forwards the request to a biller outside of switch 214 via any suitable medium such as Internet, electronic mail, regular mail, telephone, computer network, etc. The routing of the request outside of switch 214 indicates there is another path for messages and thus another path for messages of different protocols to be used. Therefore, it does not necessarily flow from Kolling that the switch 214 of Kolling is a multi-standard switch.

Thus, the Kolling reference does not teach or suggest the multi-standard switching network as claimed by claims 1 and 25. Because the reference does not disclose at least this limitation of Claims 1 and 25, there is no anticipation of Claims 1 and 25, which is therefore allowable.

Furthermore, it is respectfully submitted that the U.S. Supreme Court's statement about common sense in *KSR International v. Teleflex Inc.*, 550 US __, 127 S. Ct. 1727 (2007) applies to obviousness rejections under 35 U.S.C. §103, not anticipation rejections under 35 U.S.C. §102.

Accordingly, the final rejection of Claims 1 and 25 is error. Claims 2, 4, 7, and 34 are allowable because they depend from Claim 1.

b. Redefining terms of an application is error

With respect to claim 6, the Examiner's Answer states that Kolling discloses a biller financial institution (BFI) such as a bank or other financial institution and that the BFI is a biller payment provider. With respect to claim 14, the Examiner points to the same paragraph and line numbers of Kolling and states that Kolling discloses a biller financial institution (BFI) such as a bank or other financial institution and that the BFI is a biller payment provider as disclosed by applicant. In stating that the BFI is a biller payment provider, the Examiner has redefined Applicant's definitions as Applicant has defined a Biller Service Provider as an individual, a company, a financial institution, or any other entity that generates a bill summary file for goods or services rendered or consolidates bill summary files received from Billers. The BFI of Kolling would be considered a Biller Service

Provider and not a Bill Payment Provider. It is therefore error for an Examiner to redefine a term that has been explicitly defined in a specification.

c. Adding elements or limitations to a reference not disclosed in the reference is error.

In the rejection of claims 8 and 16, the Examiner's Answer argues in substance that Kolling teaches a computer system embodiment and that therefore Kolling teaches an associated memory device in which a directory of the first consumer service provider device, the first bill service provider device, the second consumer terminal, and the second biller terminal is stored, wherein the first consumer service provider device, the first bill service provider device, the second consumer terminal, and the second biller terminal must each be registered in the directory in order to access said switching network. Kolling does not disclose any directory in a memory device in which the directory of the consumer service provider, bill service provider, consumer terminals, and biller terminals is stored. Kolling teaches that a biller service provider, a consumer service provider, and a consumer enroll in the service. Kolling does not teach or suggest registering the devices/terminals of the biller service provider, the consumer service provider, the consumer, or the biller. Accordingly, the rejection of Claims 8 and 16 is error. Because the reference does not disclose at least this limitation of Claims 8 and 16, there is no anticipation of Claims 8 and 16, which are therefore allowable.

In the rejection of Claims 17-19 and 24, the Examiner's Answer overlooks the fact that Kolling does not discuss, and thus does not disclose, any mention of using different message protocols. Kolling teaches that in the step of enrolling a consumer, the CSP in a specific embodiment forwards a consumer subscription request through the switch of Kolling

(see col. 26, lines 48-50). Kolling further teaches that in an alternate embodiment, the CSP forwards the request to a biller outside of switch 214 via any suitable medium such as Internet, electronic mail, regular mail, telephone, computer network, etc. The routing of the request outside of switch 214 indicates there is another path for various types of messages and thus another path for messages of different protocols to be used. Kolling teaches that a path can be the Internet, telephones, video telephones, televisions, WebTV, personal digital assistants, or any other proprietary communication system. The Kolling reference does not disclose, teach, or suggest a switching network which is configured to communicate using different message protocols. Accordingly, the rejection of Claim 17 is error. Because the reference does not disclose at least this limitation of Claim 17, there is no anticipation of Claim 17, which is therefore allowable. Claims 18-19 and 24 are allowable because they depend from Claim 17.

In the rejection of claim 21, the Examiner's Answer points to col. 33, lines 40-67 of Kolling and argues in substance that because Kolling discloses a computer system embodiment, Kolling teaches all of the limitations of claim 21. This suggests that the Examiner is stating that disclosing a computer system embodiment inherently teaches what is missing from Kolling. In finding inherent anticipation, a limitation missing from an explicit disclosure is inherent if that missing limitation or characteristic is necessarily present, or inherent, in the single anticipating reference. Continental Can. Co. v. Monsanto Co., 948 F.2d 1264, 1269 (Fed. Cir. 1991) (vacating summary judgment of anticipation because of insufficient evidence). It is not inherent that a verification is made that a consumer terminal is registered with a switching network when a consumer gains access to the switching network via a login prompt. For example, a consumer could log onto a network via a login

prompt using a public computer such as in a library without the public computer necessarily being registered with the network. Furthermore, whether or not it is inherent that payment instructions made by the consumers from the consumer terminals are verified has nothing to do with verifying that the payment instructions are from consumer terminals that are registered with the switching network. Accordingly, the rejection of Claim 21 is error. Because the reference does not disclose at least this limitation of Claim 21, there is no anticipation of Claim 21, which is therefore allowable.

In the rejection of claim 26, the Examiner states that col. 9, lines 1-20 of Kolling teach these limitations. Col. 9, lines 1-20 of Kolling teach that a consumer makes a payment after receiving an electronic statement. No where in Kolling is there any teaching or suggestion of routing a payment message irrespective of whether the particular bill has been previously presented to the consumer terminal. Accordingly, the rejection of Claim 26 is error. Because the reference does not disclose at least this limitation of Claim 26, there is no anticipation of Claim 26, which is therefore allowable.

<u>d. Direct communication between a consumer terminal and a biller terminal does not expressly or inherently teach exchanging billing information between a consumer terminal and a biller terminal irrespective of which message protocol each of the consumer terminal and the biller terminal use</u>

Independent Claim 9 recites a switching system for electronic bill presentment and payment of bills over a network. The system of Claim 9 recites a consumer terminal, a biller terminal, and a switching network which is in electronic communication with the consumer terminal and the biller terminal and exchanging billing information between the

consumer terminal and the biller terminal irrespective of which of a first message protocol or a second protocol each of the consumer terminal and the biller terminal use.

As previously noted, Fig. 1 and 2 and col. 9, lines 1-24 of Kolling do not discuss, and thus do not disclose, any mention of using different message protocols. Kolling discloses a medium in which electronic statements can be delivered. Kolling teaches that a medium can be the Internet, telephones, video telephones, televisions, WebTV, personal digital assistants, or any other proprietary communication system. The Kolling reference does not disclose, teach, or suggest a switching network which is configured to communicate using a plurality of different message protocols.

Accordingly, the rejection of Claim 9 is error. Because the reference does not disclose at least this limitation of Claim 9, there is no anticipation of Claim 9, which is therefore allowable. Claims 10-13 and 15 are allowable because they depend from Claim 9.

<u>e. Removing limitations in a reference is error</u>

In the Examiner's Answer to the rejection of claims 20 and 32, the Examiner points to FIG. 1 elements 12 and 14 and states that this is an explicit showing of <u>direct communication</u> between a consumer terminal and a biller terminal The figures of Kolling do not show any <u>direct communication</u> between a consumer terminal and a biller terminal. Kolling teaches that an electronic statement generated at a statement generator workstation is transmitted to a consumer financial institution, which then delivers the statement to the consumer. This is an indirect communication. Accordingly, the rejection of Claims 20 and 32 is error. Because the reference does not disclose at least this limitation of Claims 20 and 32, there is no anticipation of Claims 20 and 32, which are therefore allowable.

Section 103(a) (Claims 22, 23 and 33)

Claims 22, 23 and 33 are rejected as being unpatentable over U.S. Patent 5,963,925 issued to Kolling et al. (Kolling) in view of U.S. Patent 5,465,206 issued to Hilt et al. (Hilt). Appellant appeals the rejection of the claims.

a. A modification to prior art cannot render the prior art unsatisfactory for its intended purpose

Any proposed modification cannot render the prior art unsatisfactory for its intended purpose (see *In re Gordon*, 733 F.2d 900, 221 USPQ 1125 (Fed. Cir. 1984)) or change the principle of operation of a reference. See *In re Ratti*, 270 F.2d 810, 123 USPQ 349 (CCPA 1959).

Claim 22, which depends from claim 17, requires that the switching network verifies that a sufficient balance exists in a financial account associated with each consumer terminal from which payment instructions are received to cover the bill being paid. The switching network is defined in claim 17 as being a multi-standard switch configured to communicate with first and second biller terminals and first and second consumer terminals.

As indicated previously, Kolling does not disclose or suggest all of the elements of claim 22. The rejection states Kolling does not disclose the method of claim 22 and that the abstract and figure 11, element 254 of Hilt teaches the limitations of claim 22. Hilt teaches that the consumer's bank does not submit the transaction until funds are good unless the consumer's bank is willing to take the risk of loss if funds are not good. Hilt indicates at col. 21, lines 7-21 that element 254 in figure 11, which is a block that checks if funds are available, is done by a bank (bank C). Clearly, a bank is not a switching network. The bank

of Hilt is a financial institution and in terms of the present application, is considered a Consumer Payment Provider (CPP). As a result, according to Hilt, a CPP, not a multi-standard switch configured to communicate with first and second biller terminals and first and second consumer terminals, does not submit the transaction until funds are good unless the CPP is willing to take the risk of loss if funds are not good. Accordingly, the rejection of Claim 22 is error.

Claim 23 recites the step of settling all payment transactions over a predetermined cut-off period. The Examiner's Answer now refers to col. 13, lines 40-50 of Hilt to support the rejection of claim 23 and argues in substance that a bill that has an amount due and possibly a due date teaches settling all payment transactions over a predetermined cut-off period. As stated in the present application at page 11, lines 25-29, all monetary transaction activity of Participants are settled at a predetermined cut-off period, such as, for example, 2 p.m. of every business day, by determining the net amount of money owed and initiates a transfer of funds electronically between the CSP's account and the BSP's account. The BSP then debits the BSP's account and credits the appropriate Biller's account. Clearly, a bill that possibly has a due date does not teach or suggest settling all payment transaction over a predetermined cut-off period. Accordingly, the rejection of Claim 23 is error.

Claim 33 recites that the switching network is arranged and configured to provide net settlement functionality by debiting financial accounts associated with consumers associated with the first and second consumer terminals and crediting the financial accounts of billers associated with the first and second biller terminals by appropriate amounts. The Examiner's Answer refers the Board to the Examiner's response to claim 1. As previously indicated, Kolling does not disclose the method of claim 33. Nor does Hilt. Hilt teaches that the

consumer's bank does not submit the transaction until funds are good unless the consumer's bank is willing to take the risk of loss if funds are not good. For example, Hilt indicates at col. 21, lines 7-21 that a bank (bank C) checks if funds are available. Clearly, a bank is not a switching network. The bank of Hilt is a financial institution and in terms of the present application, is considered a Consumer Payment Provider (CPP). As a result, according to Hilt, a CPP, not a multi-standard switch configured to communicate with first and second biller terminals and first and second consumer terminals, does not submit the transaction until funds are good unless the CPP is willing to take the risk of loss if funds are not good. Accordingly, because the references do not disclose all of the limitations of Claim 33, the rejection of Claim 33 is error.

Appellant has shown that the rejection of rejection of Claims 1-21, 24-26, 31-32 and 34 under 35 U.S.C. § 102(e) as being anticipated by U.S. Patent 5, 963,925 and the rejection of Claims 22, 23 and 33 as being unpatentable over U.S. Patent 5, 963,925 in view of U.S. Patent 5,465,206 are error. Appellant and the attorney below earnestly request that the Board reverse the rejections of Claim 1-20 and allow the claims of the application.

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